

**DEPARTMENT OF WATER RESOURCES**

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April 30, 2004

To: Distribution List

Subject: Draft Application for Federal Energy Regulatory Commission License  
Oroville Division, State Water Facilities - FERC Project No. 2100

Enclosed for your review is a copy of the California Department of Water Resources (DWR) draft Federal Energy Regulatory Commission (FERC) Application for License for the Oroville Division, State Water Facilities (also referred to as the Feather River Project or simply the Oroville Facilities). This draft is being made available to interested parties at this time to provide a status report on DWR's progress to date, and to allow for the submittal of comments as the relicensing process continues. It includes engineering exhibits describing the existing facilities, an overview of current project operations and other relevant information, as well as a summary of the work completed to date on an extensive program of environmental studies carried out over the past three years.

The draft Application for License consists of three volumes:

Volume I contains the Initial Statement and Exhibits A, B, C, and D.

Volume II contains the Preliminary Draft Environmental Assessment (PDEA) Progress Summary.

Volume III contains Exhibits F and G (CEII - for FERC only).

Volumes I and II are public documents. Volume III contains "Critical Energy Infrastructure Information" (CEII), which under FERC's Order No. 630-A is being withheld from public viewing due to security concerns. To view this information, a CEII request may be filed under the provisions of 18 CFR §388.113 or a Freedom of Information Act (FOIA) request may be filed under 18 CFR §388.108. The California Public Records Act does not require the disclosure of any record for which disclosure is exempted or prohibited pursuant to federal law (Cal. Govt. Code §6254(k)).

On or before January 31, 2005, DWR will file a final Application for License, Exhibits, and an accompanying PDEA with FERC. Portions of the April 2004 PDEA Progress Summary (Volume II) will be incorporated into the January 2005 PDEA.

The PDEA Progress Summary serves the following purposes:

Provides an overview of the Oroville Facilities and relicensing activities to date.

- Provides abstracts for the environmental studies that will be used to define the affected environment; develops potential protection, mitigation, and enhancement (PM&E) measures; and supports the development of the Proposed Action and other project action alternatives (referred to throughout the document as the “primary action alternatives”).
- Defines the No Action Alternative, which is an important point of comparison for the primary action alternatives to be defined and assessed in the January 2005 PDEA. (This alternative is one of the “primary alternatives” referred to throughout the document.)
- Presents resource area-specific “road maps” outlining the environmental analyses to be undertaken following the definition of the primary alternatives, and in preparation for filing the final Application for License in January 2005.
- Provides another opportunity for interested parties to comment on DWR’s approach to environmental documentation and offers additional information that might be helpful to DWR’s environmental analyses.

#### The Relicensing Process:

DWR is using the Alternative Licensing Procedures (ALP) approach (adopted by FERC in October 1997) for relicensing of the Oroville Facilities. The ALP was approved by FERC for the Oroville Facilities relicensing following extensive coordination with interested parties expressing interest in the relicensing process.

Under this process, information and analyses relevant to relicensing are developed in collaboration with federal, State, and local agencies, as well as tribes, nongovernmental organizations, interested parties, and members of the public. The objective of the collaborative process is to reach settlement on various issues and resource actions. FERC will then consider the settlement agreement, along with information and analyses contained in the final Application for License, in its decision to issue a new hydroelectric license.

Under the ALP process, the FERC environmental consultation/study process and the National Environmental Policy Act (NEPA) process are combined into a single step, and a single document called the PDEA is prepared. Combining the consultation and NEPA processes into one step has the following advantages:

- Environmental analysis and resource decisions are made at the local and regional level instead of in Washington, DC.

- All interested parties, including the public, have an opportunity to be involved throughout the entire process.
- Processing time should be significantly reduced so that environmental measures can be implemented sooner.

Ultimately, the intent of the ALP process is to satisfy: (1) the requirements of the Federal Power Act (FPA); (2) FERC regulations; and (3) NEPA. State and federal resource agencies' approval and permitting processes are addressed as appropriate following the filing of the final Application for License.

#### Ongoing Relicensing Activities:

For your information, a timeline illustrating the FERC relicensing process and environmental analysis activities and milestones for the Oroville Facilities relicensing is attached to this letter.

The PDEA Progress Summary (Volume II) includes an overview of relicensing activities to date and a description of the collaborative process. Some of the 71 study plans associated with this relicensing have been completed, and others will continue as appropriate throughout 2004 and beyond. Settlement discussions initiated in early 2004 will continue throughout the year as necessary to develop a settlement agreement that will form the basis for the Proposed Action.

Whether or not settlement discussions are complete, DWR must submit a final Application for License with Exhibits and a supporting PDEA in January 2005. If a settlement is reached in time, then the Proposed Action addressed in the January 2005 PDEA will be based on the settlement agreement. If a settlement has not been reached, DWR will develop a Proposed Action reflecting settlement discussions to date.

#### Information for Interested Parties:

DWR has established and maintains the following informational resources to facilitate public input to the relicensing process and ensure that relevant information is readily available to all interested parties:

- **Public reference file rooms** that contain information on the Oroville Facilities as well as ongoing relicensing activities and correspondence, can be visited by the public at the following locations and times:

California Department of Water Resources  
1416 9th Street, Room 525  
Sacramento, California 95814  
*Hours of Operation:*  
Weekdays, Monday through Friday  
(excluding federal and State holidays), 8 a.m. – 5 p.m.

Oroville Branch of the Butte County Library  
1820 Mitchell Avenue  
Oroville, California 95966

*Hours of Operation (as of winter 2004):*  
Tuesday and Wednesday: 10 a.m. – 8 p.m.  
Thursday: 2 p.m. – 6 p.m.  
Friday: 10 a.m. – 5 p.m.  
Saturday: 12 p.m. – 4 p.m.

- A relicensing **website** that contains information on the Oroville Facilities as well as ongoing relicensing activities and correspondence can be accessed at <http://orovillere relicensing.water.ca.gov>.
- A relicensing **newsletter** entitled "Oroville Facilities Relicensing News" is distributed periodically to a mailing list of interested parties and provides updated information regarding relicensing activities. To add your name to the mailing list, send an e-mail to [orovillep2100@water.ca.gov](mailto:orovillep2100@water.ca.gov). The newsletter can also be viewed on the website.
- A relicensing **progress report** is submitted to FERC every six months, as required by the ALP. All six-month progress reports submitted to date can be viewed on the relicensing website.
- Comments or questions regarding the relicensing process can be addressed by calling a **toll-free number** (866) 820-8198 or sending an e-mail to [orovillep2100@water.ca.gov](mailto:orovillep2100@water.ca.gov).

How to Comment on the Draft Application for License and PDEA Progress Summary:


The draft Application for License, including Exhibits and the PDEA Progress Summary (Volumes I and II), is being circulated for public review and comment as part of the collaborative process. **To ensure consideration by DWR, any written comments you wish to make on the enclosed draft documents must be received no later than 5 p.m. on June 30, 2004. Your comments should be submitted to the following address:**

Rick Ramirez, Program Manager  
Oroville Facilities Relicensing Program  
California Department of Water Resources  
1416 9th Street, Room 1601  
Sacramento, California 95814

DWR and the Oroville Branch of the Butte County Library will each have a hard copy of Volume I - Initial Statement and Exhibits A, B, C, and D and Volume II - PDEA Progress Summary as well as access to the Oroville Facilities Relicensing website where the documents are also available. The locations and hours of operation are listed above.

Any comments received during the review period will be taken into consideration by DWR during completion of the environmental analyses and preparation of the final Application for License.

Sincerely,



*FOR* Henry M. Ramirez, Program Manager  
Oroville Facilities Relicensing Program

Enclosures

Distribution List: (Available upon request.)

cc: Ms. Magalie Salas, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

### FERC Licensing and Environmental Analysis Timeline

Environmental Documents and Regulatory Milestones	Timeline	Collaborative Schedule
<ul style="list-style-type: none"> <li>• PDEA Progress Summary (Spring 2004)</li> <li>• Draft Biological Assessment (Terrestrial) submitted to USFWS/FERC (mid to late 2004)</li> <li>• Draft Biological Assessment for Fisheries (late 2004 or early 2005)</li> </ul>	<p><b>October 2003</b></p> <p><b>December 2004</b></p>	<ul style="list-style-type: none"> <li>• Plenary Group reviews preliminary Cultural Resource Actions</li> <li>• Plenary Group reviews preliminary Land Use, Land Management, and Aesthetics Resource Actions</li> <li>• Plenary Group reviews preliminary Recreation and Socioeconomics Resource Actions</li> <li>• Plenary Group reviews preliminary Environmental Resource Actions</li> </ul>
<ul style="list-style-type: none"> <li>• License Application and PDEA submitted (1/05)</li> <li>• Supplemental Information Package to FERC &amp; Draft CEQA Environmental Impact Report released (mid 2005 to early 2006)</li> </ul>	<p><b>January 2005</b></p> <p><b>December 2005</b></p>	<ul style="list-style-type: none"> <li>• Settlement Negotiations Group negotiates settlement agreement (4/04 to 12/05)</li> <li>• Settlement revisions, as appropriate (mid to late 2005)</li> </ul>
<ul style="list-style-type: none"> <li>• DWR request for 401 Certification (2005 to early 2006)</li> <li>• FERC issues AIR (2005 to early 2006)</li> <li>• Final Biological Assessment (Terrestrial) (2005-2006)</li> <li>• Final Biological Assessment for Fisheries (2006 or 2007) Dependent on FERC licensing schedule</li> <li>• Draft NEPA Environmental Impact Statement released (late 2005 to mid 2006)</li> <li>• 401 Certification issued (2006)</li> <li>• USFWS/NOAA Fisheries Final Biological Opinion (late 2006)</li> <li>• Final CEQA EIR (late 2006)</li> <li>• Final NEPA EIS (late 2006)</li> </ul>	<p><b>January 2006</b></p> <p><b>December 2006</b></p>	
<ul style="list-style-type: none"> <li>• Final Order issued by FERC (1/07)</li> <li>• Settlement implementation (1/07 onwards)</li> </ul>	<p><b>January 2007</b></p> <p><b>Future</b></p>	